



THE SKYLINE REPORT

SPONSORED BY ARVEST BANK

First Half of 2019

Real Estate Market Summary

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Real Estate Market Summary for Benton and Washington Counties

The average price of homes in Benton County reached a record high of \$250,608 in the first half of 2019. Prices in Benton County were 5.3 percent higher than a year ago and 33.2 percent higher than five years ago. In Washington County homes reached a record high with an average of \$235,893, which was 0.1 percent higher than previous record high in the first half of 2018 and 28.1 percent higher than five years ago.

- The number of complete but unoccupied homes in Northwest Arkansas declined in the first half of 2019 to 463. The subdivisions with these lots had high volumes of construction but also high levels of absorption.
- Absorption reached 1,589, the second highest level since the Skyline report began, behind 1,591 in the first half of 2017, with 992 in Benton County and 667 in Washington County.
- There were 1,946 building permits issued in Benton and Washington counties in the first half of 2019. It was highest half year total since 3,265 in the first half of 2006.
- Home sales in the region increased, up 7.0 percent from the first half of 2018, and the third highest total since the Skyline Report began.
- 27.3 percent of homes sold were new construction, the highest level in the Skyline report data.

Even though the average rent of \$691.49 was 4.6 percent higher than in 2018, and 23.7 percent higher than in 2014, strong absorption lowered the multifamily vacancy rate to 3.1 percent in the first half of 2019, the lowest level in 3 years.

- There were an additional 12,100 units either under construction or announced throughout the region. This represents 30.3 percent of the current inventory of multifamily units in Northwest Arkansas.
- Every city but Siloam Springs saw a decrease in vacancy rates.
- Springdale continued to have the lowest and Fayetteville continued to have the highest vacancy rates in the region the first half of 2019.

The overall vacancy rate for commercial property increased slightly to 11.0 percent in the first half of 2019, as 371,243 square feet of new commercial space was added to the market.

- The retail vacancy rate decreased to 10.8 percent, with positive net absorption of 98,630 square feet, of which 67,692 square feet was new retail space.
- Office space vacancy in Northwest Arkansas increased to 8.6 percent, as 107,766 new square feet of office space was added to the office market.
- The warehouse submarket vacancy rate increased to 10.3 percent, the highest since 2014, with negative net absorption of over 22,000 square feet, mostly in Rogers, while Fayetteville and Lowell had strong net positive absorption.
- \$166,794,659 million in building permits were issued in the first half of 2019, indicating continuing growth in new commercial properties throughout the region.